



In 2020, the City of Rochester facilitated a second budget process mid-year to make \$26.2 million in cuts in the 2020 budget due to the pandemic impacts



Our 2021 budget (\$472M) reflects our commitment to the community and our need to respond to the challenges:

- No tax levy increase*
- No parking ramp or transit rate increases
- \$101.8M reduction from 2020



Rochester is maintaining its history of strong fiscal management:

- one of the few AAA/Aaa bond rated cities in the state.
- has received a Certificate of Achievement for Excellence in Financial Reporting for almost 50 years, the longest in the state of Minnesota.
- demonstrates the City's commitment to being sound fiscal stewards of the community's funds.



City of Rochester Liquor License Relief for 2021 is intended is to make license holders 'whole' and not pay any liquor license for the year.



Airport Traffic is down (impacting restaurants and lodging)

- Commercial passengers = 135,000 (36% of 2019 passengers) [through November, YTD]
- Aircraft operations = 43,000 (84% of 2019 operations)
- Cargo transported = 20,500,000 lbs (86% of 2019 cargo volume)



Impact on hotels has been dramatic:

- **Lodging Tax collection is dramatically down:**
The pandemic has impacted our lodging taxes much more than our sales taxes:
 - Lodging Tax declined \$4,150,000 or 55% from prior year same-period collections (March - October)
 - City Sales Tax amounts declined \$1,000,000, or 7.7% from prior year same-period collections (March - October).
- **Lodging Occupancy has been hit hard, even with clinic operations being active. Occupancy rates (OCC) are at 41% for 2020 through October 2020 (in 2019, they were 65%).**



Transit ridership and parking ramp usage downtown is dramatically down, impacting local government revenue

- Transit Ridership for 2020: 893,000 riders (in 2019, ridership was 2.1 million)
- Parking impacts:
 - 2020 Full Year Ramp Uses were down 50% at approximately 660,000 (in 2019, they were 1.2 million uses or about \$5.1 million in revenue); that has an impact of a \$1 million revenue reduction (about 20% year-over-year change)

*There was no levy increase; the median home value 7% reduction would look like a 3.5% reduction factoring in the voter-approved parks referendum.

For more information, see the [2020 Year in Review Video](#) or [2021 Budget Summary](#)

Questions?

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